# Governor John Engler

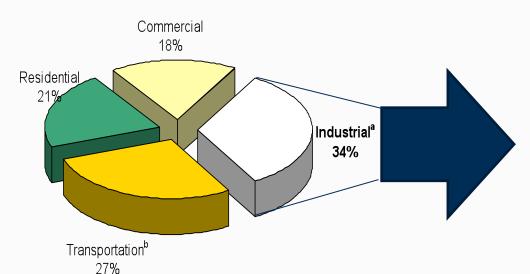
President

Presentation to The American Energy Solutions Group
May 5, 2009



### Manufacturing uses 1/3 of the Nation's Energy Supply

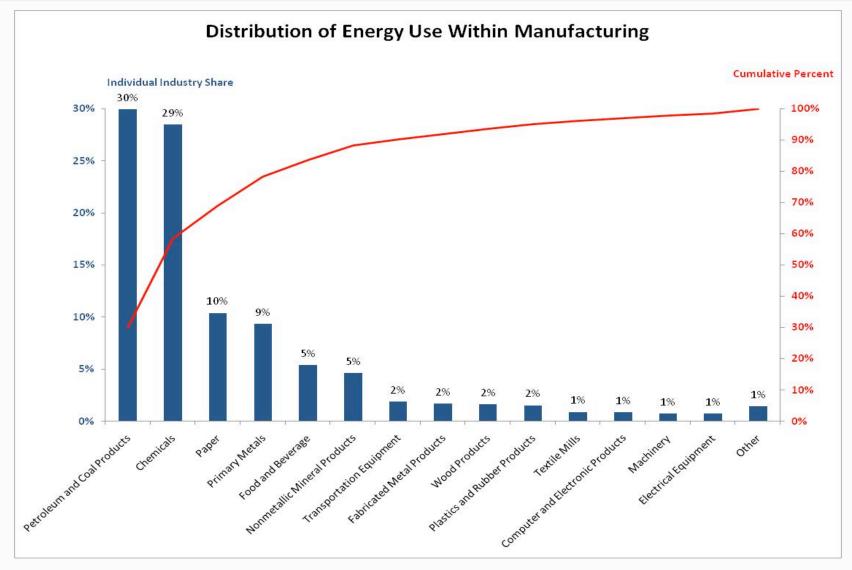
Manufacturing Uses 1/3 Energy Supply, End-Use Sectors of Energy, in percent of total energy consumed (Btu)



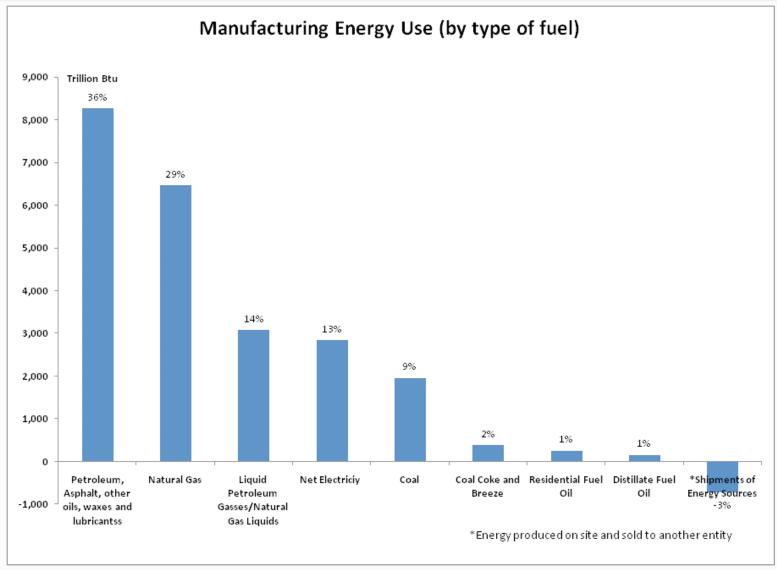
#### What's at stake?

- 12.3 million jobs
- \$1.6 trillion GDP (Manufacturing Value Added)
- \$94.4 billion in energy purchases (not including feedstock purchases)



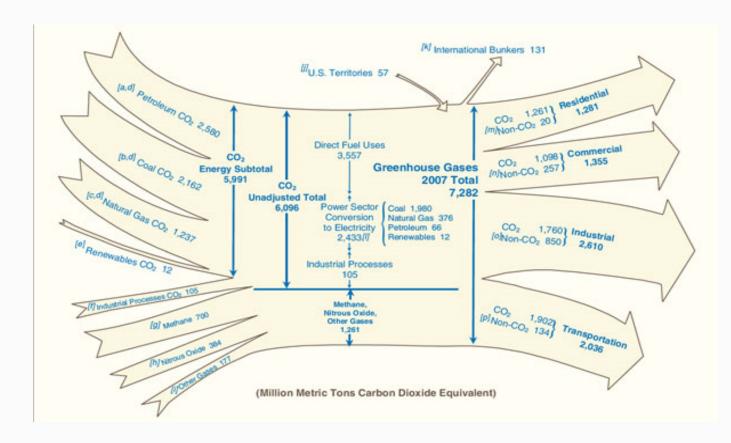


EIA, 2002



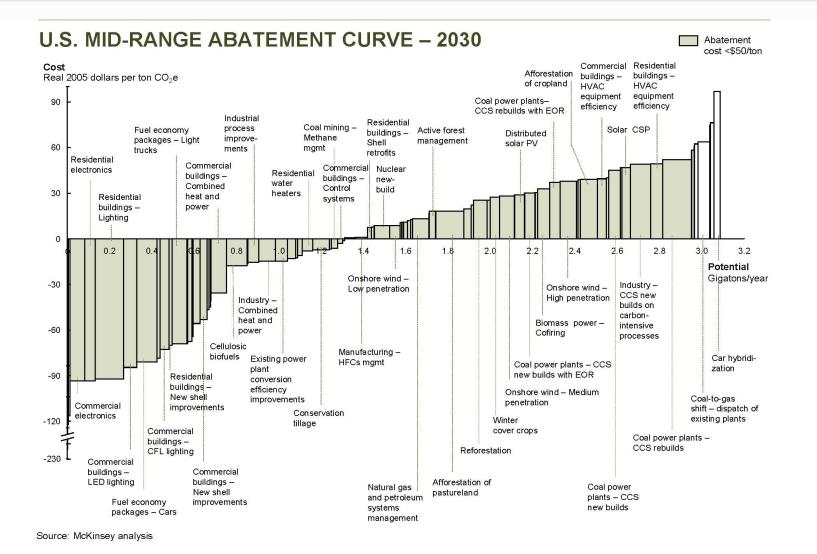
EIA, 2002

#### **Emissions of Greenhouse Gases in the United States 2007**

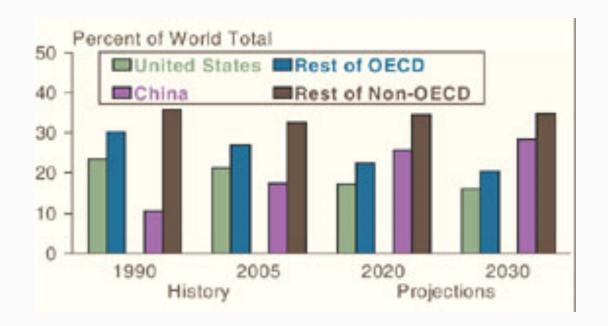


DOE/EIA: Released Date: December 3, 2008





### **Regional Shares of World Carbon Dioxide Emissions**



Greenhouse Gas Emissions are a Global Problem,

Requiring a Global Solution.

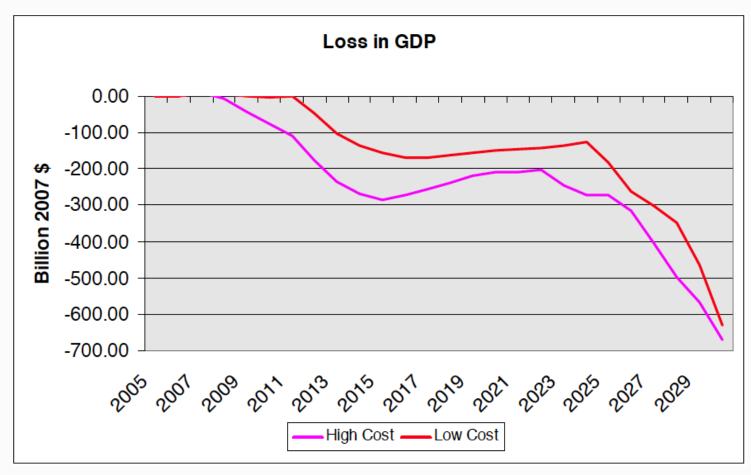
EIA International Energy Outlook 2008



### **NAM/ACCF** Analysis of Economic Impact of Lieberman Warner Cap-and-Trade

	Low Cost Case			<u>High Cost Case</u>		
	2014	2020	<u>2030</u>	2014	2020	<u>2030</u>
Loss in GDP	-0.8%	-0.8%	<u>-2.6%</u>	-1.6%	-1.1%	<u>-2.7%</u>
Loss in Jobs (millions)	-0.85	-1.22	<u>-3.04</u>	-1.86	-1.80	<u>-4.05</u>
Loss in Household Income (2007\$)	- \$1,010	-\$739	<u>-\$4,022</u>	- \$2,779	-\$2,927	<u>-\$6,752</u>
Rise in Gasoline Prices	13%	20%	77%	50%	69%	145%
Rise in Residential  Electricity Prices	13%	28%	101%	14%	33%	129%
Rise in Industrial Electricity Prices	22%	41%	142%	23%	49%	185%
Rise in Industrial  Natural Gas Prices	36%	49%	180%	40%	66%	244%

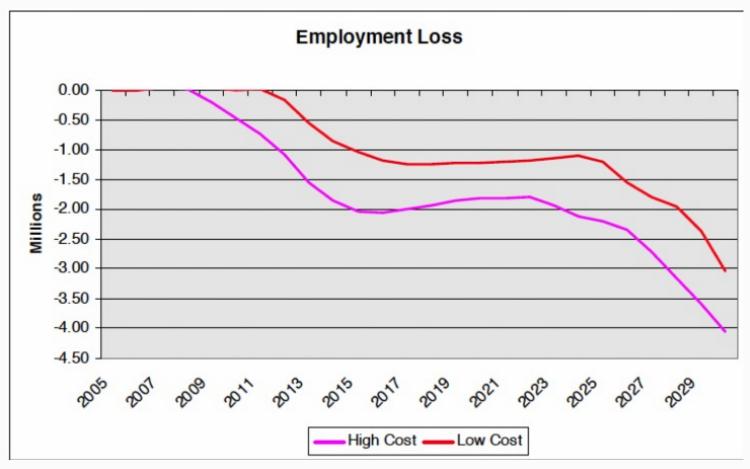
## **Cap-and-Trade Will Harm the Economy**



NAM/ACCF Study



# Cap-and-Trade will cost jobs.



### **Assumptions Used in NAM/ACCF Modeling (2008)**

<b>Build Constraints</b>	High Cost Scenario	Low Cost Scenario	
Nuclear	10 GW	25 GW	
IGCC w Sequestration	25 GW	50 GW	
Biomass	Max 3 GW/Year	Max 5 GW/Year	
Wind	Max 3 GW/Year	Max 5 GW/Year	
NGCC w Sequestration	25 GW	50 GW	
Offsets	15-20%	Greater than 20%	
Oil Price Profile	AEO2007 High Profile Side Case	AEO2008 Ref Price Profile	
Natural Gas Prices	Not Constrained	Not Constrained	
Cellulosic Ethanol	With HR.6 – Not Constrained	With HR.6 – Not Constrained	
Banking	No Banking	No Banking	
HR.6 (Key items, could not be modeled)	Yes	Yes	
Allowance Prices	Not Constrained	Not Constrained	



